

Message Text

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43

ORIGIN OPIC-12

INFO OCT-01 EA-11 ISO-00 EB-11 AID-20 L-03 INR-10 /068 R

66605

DRAFTED BY: OPIC/GS: CFLIPMAN

APPROVED BY: EB/IFD, MKENNEDY

OPIC/GC, CECIL HUNT OPIC/F, JCULMAN

EB/IFD, WHCOURTNEY OPIC/F, WPISTELL

EA/IMS- A DORNHEIM (SUBS) AID/GC/ASIA, MKITAY (SUBS)

AID/ASIA/I, BOLINGER (SUBS)

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R 071320Z NOV 73

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA

UNCLAS STATE 219416

E.O. 11652: N/A

TAGS: EFIN, ID

SUBJ: OPIC DELEGATION OF AUTHORITY TO USAID DIRECTOR CASHIN;

REF: (A) STATE 205382 (B) JAKARTA 12852

1. PRIOR EMBASSY/USAID CABLE INDICATES USAID DIRECTOR CASHIN WILL ACT FOR OPIC ON SECURITY ARRANGEMENTS; DELEGATION OF AUTHORITY FOLLOWS.

2. PURSUANT TO THE AUTHORITY DELEGATED TO THE PRESIDENT OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION ("OPIC") BY ITS BOARD OF DIRECTORS THROUGH ITS DULY ADOPTED BY-LAWS AND REDELEGATED TO ITS VICE PRESIDENT FOR FINANCING, THE VICE PRESIDENT FOR FINANCING OF OPIC HEREBY REDELEGATES AUTHORITY TO RICHARD CASHIN, DIRECTOR OF THE UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT MISSION TO INDONESIA, TO NEGOTIATE, EXECUTE AND AMEND AGREEMENTS TO SECURE LOANS MADE OR GUARANTEED BY OPIC TO P.T. DARALON TEXTILE MANUFACTURING CORPORATION ("DARALON") AND TO P.T. UNITED COCONUT (TINA) INDONESIA ("COCONUTE"), PROVIDED THAT EACH SUCH NEGOTIATION, EXECUTION AND AMENDMENT IS SPECIFICALLY APPROVED BY OPIC IN ADVANCE. THIS AUTHORITY SHALL BE DEEMED EFFECTIVE AS UNCLASSIFIED

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OF SEPTEMBER 15, 1973 AND MAY NOT BE FURTHER REDELEGATED,

ANY ANY AND ALL ACTIONS TAKEN PURSUANT TO THE AFORESAID AUTHORITY
SUBSEQUENT TO SEPTEMBER 14, 1973 ARE HEREBY CONFIRMED AND RATIFIED.

3. OPIC WILL AMEND FOREGOING REDELEGATION TO INCLUDE OTHER SPECIFIC
PERSONS IN USAID RECOMMENDED BY CASHIN AND APPROVED BY OPIC.

4. OPIC BELIEVES THAT DARALON /FIDUCIARY TRANSFER AND/AGREEMENT TO
GIVE MORTGAGE SECURITY ""FTAGMS") REPRINT RECENTLY MAILED TO
PARTIES IN JAKARTA IS READY FOR EXECUTION EXCEPT THAT
SCHEDULES SHOULD BE ADDED IN JAKARTA. PLEASE EXECUTE FOR OPIC WHEN
MOCHTAR, KARUWIN AND KOMAR ("MKK") INDICATES AGREEMENT OK.

5. OPIC BELIEVES COCONUT SECURITY AGREEMENT (ALREADY EXECUTED BY
COCONUT) IS READY; PLEASE EXECUTE FOR OPIC IF MKK INDICATES
AGREEMENT OK.

6. DARALON FORECLOSURE AGREEMENT, DRAFT OF SEPTEMBER 17, 1973, AS
AMENDED THRU OCT. 16, 1973 ("FA"):

(A) PURSUANT IFC'S REQUEST LAST SENTENCE OF PARA 3 SHOULD BE
AMENDED TO READ AS FOLLOWS:"THE DIRECTIONS WHICH MAY BE GIVEN TO
THE AGENT BY MHT, IFC AND/OR OPIC, AS PROVIDED ABOVE, MAY ALSO BE
GIVEN BY SUBSEQUENT HOLDERS OF TWO THIRDS OF PRINCIPAL NOT HELT BY
MHT, IFC OR OPIC, OUTSTANDING UDNER BOTH (A) AND IA AND (B) THE
MLA, OR NOTES ISSUED UNDER EITHER, PROVIDED AT LEAST ONE HEALF OF
THE OUTSTANDING AGREEGATE PRINCIPAL UNDER (A) AND (B) IS HELD BY
SUCH SUBSEQUENT HOLDERS."

(B) PURSUANT IFC'S REQUEST, UNDER FA NEITHER DARALON NOR SECURED
PARTIES, OF WHICH IFC IS ONE, INDEMINIFIES BANK FOR ACTION TAKEN
BY BANK UNDER FA. ALTHO SUCH PROVISION (WITH COMPLICATED
QUALIFICATIONS) IS COMMON IN US COMMERCIAL PRACTICE. WITHOUT
ALERTING BANK TO POSSIBLE DESIRABILITY OF SUCH CLAUSE, OPIC
WISHES TO DETERMINE THAT BANK WILL NOT LATER INSIST ON SUCH
INDEMNITY. HAS THIS COME UP IN NEGOTIATIONS?

(C) WHAT FEE IS BEING ARRANGED FOR BANK UNDER FA?

7. OPIC WISHES FTAGMS AND FA TO BE EXECUTED PRIOR FIRST ADVANCE
OF MANUFACTURERS' LOAN, NOW SCHEDULED FOR NOV. 15, 1973. PLEASE
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CONTINUE NEGOTIATIONS AND ADVISE PROBLEMS/ PROGRESS.

8. OPIC APPRECIATES THIS USAID ASSISTANCE. RUSH

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Message Attributes

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Draft Date: 07 NOV 1973
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Decaption Note:
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Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
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Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
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Drafter: OPIC/GS: CFLIPMAN
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Executive Order: N/A
Errors: N/A
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ISecure: 1
Legacy Key: link1973/newtext/t19731149/aaaabjvh.tel
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Status: NATIVE
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TAGS: EFIN, ID, OPIC
To: JAKARTA
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005